

<b>Third Party Liability Program Goal</b>		<b>Agency/Program #:</b> 6901-08-G1
		<b>Division:</b> Quality Assurance
		<b>Program:</b> Third Party Liability
<b>Agency Name:</b>	Department of Public Health and Human Services	
<b>Agency Contact:</b>	Jeff Buska / Scott Sim	444-4216
<b>LFC Contact:</b>	Senator Cobb, Senator Williams	
<b>LFD Liaison:</b>	Kris Wilkinson	444-5834
<b>OBPP Liaison:</b>	Pat Sullivan	444-1207

**Program or Project Description:**

Third Party Liability

Fund Name:	Appropriation, Expenditure and Source				Approp & Expenditure numbers are as of August 29, 2008
	2008		2009		
	Approp.	Expended	Approp.	Expended	
General Fund	157,700	169,373	166,051	17,716	
State Special					
Federal Funds	155,668	169,372	166,051	17,715	
<b>Total:</b>	<b>\$313,368</b>	<b>\$338,745</b>	<b>\$332,102</b>	<b>\$35,431</b>	

**Legislative Goal(s):**

Take all reasonable measures under the Social Security Act to ascertain the legal liability of "third parties" for health care items and services provided to Medicaid recipients.

**Legislative Performance Measures:**

1. Evaluate and improve the systems for the identification of Medicaid recipients with Medicare and/or other health insurance.
2. Maintain the number of people with Medicaid and Medicare (Dual Eligible's), subject to change in Medicaid enrollment.
3. Increase the number of Medicaid recipients with other health insurance 1% per year.
4. Ensure Medicaid health care costs are avoided by requiring other health insurance companies to pay before Medicaid.
5. Increase the Medicaid cost avoidance per person with Medicare and/or other insurance by 5% per year.

	2009 Biennium Significant Milestones:	Completion Dates	
		Target	Actual
1	Cost Avoidance - Medicaid (people with Medicare and/ other insurance) increased by 4% SFY07 \$117,049,202, SFY08 \$121,776,606	4%	
2	Average monthly dual eligibles (SFY07 15,487 SFY08 15,792) increased by 2%. Cost avoidance per dual eligible (SFY07 6,231 SFY08 6,552) increased by 5%.	Maintain	
3	Percent of Medicaid recipients with other health insurance (SFY07 5,351 SFY08 4,752) decreased by 11%	Increase 1 %	
4	By taking over the discovery of third party insurance process from our contractor we expect to see a significant increase in the identification of Medicaid recipients with other health insurance.		
5	Cost Avoidance per person (SFY07 3,839 SFY08 3,853) with insurance per year increased by .3%	Increase 5 %	

**Agency Performance Report:**

QAD is focusing on systemic improvements for identifying Medicaid recipients that have other health insurance with the focus on new discovery of insurance process we have implemented. Effective September 1, 2008 the department took this function over from our contractor (ACS State Healthcare). QAD identified systemic improvements that could be implemented by focusing efforts on discovery of new insurance and timely updating of the information into the claims processing system (MMIS). Staff will timely monitor claims that have been processed in MMIS that identify third party information. This information will be immediately verified with the insurance carrier and added to the client record in the Medicaid eligibility system. We anticipate that by focusing efforts in this area in an efficient and effective manner, will result in the increase of the number of clients with identified third party insurance. In addition, by taking over this function, we expect to see an increase in the cost avoidance figures for Medicaid benefits, and a decrease in the number of claims that require pay and chase efforts by the department. We expect to be able to meet or exceed our goal for the next fiscal year by increasing Medicaid cost avoidance per person by 5% or more.

**LFD Narrative:**

LFD ASSESSMENT: On Track

DATA RELEVANCE: Yes

APPROPRIATION STATUS: Appropriation and expenditure data were provided.

COMMENTS/ISSUES: The division has implemented this program within current appropriations and appears to be on track to have a more cost effective program by increasing the Medicaid cost avoidance per person by 5% or more. The workgroup may wish to bring this forward to the full committee as a program success

OPTIONS: Upgrade or downgrade the rating - options for workgroup in relation to the rating are No further review or Progress Report Requested



Version	Date	Author
	9/24/2008	

Change Description